

## Certain Legal, ERISA and Tax Considerations

### The AIFMD<sup>73</sup>

#### Valuation

The Manager has decided that the nature of the investments that will be held by the Fund is such that there is no need for an external valuer. The Fund's valuations will be prepared in accordance with the UK AIFM Regulation on a fair value principle, based on U.S. GAAP and Accounting Standards Codification ("ASC") 820 Fair Value Measurement. ASC 820 establishes a fair value hierarchy that prioritizes sources and valuation techniques. Accordingly, the Fund will be valued at an 'exit price' which is the value that would be received on selling the investment in an orderly transaction, between market participants at the measurement date. The Manager will establish a valuation committee (the "**Valuation Committee**") to perform an assessment of valuations provided by the relevant investment specialists, together with acquisition information that has been gathered to understand each individual Investment. Deirdre Davies, the Manager's Chief Operating Officer, chairs the Valuation Committee and is also responsible for the Manager's valuation policy and procedures. Ms. Davies is not responsible for the Manager's deal activity or portfolio management, is functionally independent from the Manager's portfolio management activities, and the Manager has put in place such measures as it considers reasonably necessary to mitigate conflicts of interest that may arise in connection with the valuation of the Fund's investments. Therefore, in the Manager's view, Ms. Davies has sufficient independence to oversee the valuation policy and procedures in accordance with the Manager's compliance obligations. The Valuation Committee members, its terms of reference and the Manager's valuation policy will be periodically assessed and internally audited to ensure compliance with the principles of the AIFMD.

#### Fair treatment of Investors

Please see Section 8: *Conflicts of Interest* for a summary of the policies established by the Manager in relation to conflicts of interest. In addition, as described more fully in Section 6: *Summary of Terms and Conditions*, the Manager has a clear and defined approach to side letter arrangements. Further, amendments to the Fund Partnership Agreement which would materially and adversely affect a Limited Partner in a way which discriminates against such Limited Partner vis-à-vis the other Limited Partners or increase the Commitment of a Limited Partner will require the consent of the affected Limited Partner.

#### Liquidity management

As the Fund is a "closed-ended AIF" (as defined in the AIFMD) and the Investors will not have any redemption rights in respect of their interests, there is no meaningful liquidity risk to manage.

#### Manager's professional liability risk

Glendower holds a professional indemnity insurance policy. This insurance policy covers the professional indemnity insurance requirements of the AIFMD in respect of Glendower acting as the Fund's AIFM.

#### Governing law and legal implications of the contractual relationship

The Fund will be an English limited partnership, registered under the Limited Partnerships Act 1907 and designated as a

<sup>73</sup> The Manager may provide further information as required under article 23 of the AIFMD in a supplement to this Memorandum.